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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
10/064,783	08/16/2002	Lawrence Lederman	02012-40137	4083

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EXAMINER

SUBRAMANIAN, NARAYANSWAMY

ART UNIT	PAPER NUMBER
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3624

DATE MAILED: 11/03/2004

Please find below and/or attached an Office communication concerning this application or proceeding.

1

Office Action Summary	Application No.	Applicant(s)	
	10/064,783	LEDERMAN, LAWRENCE	
	Examiner	Art Unit	
	Narayanswamy Subramanian	3624	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 18 August 2004.
- 2a) ☐ This action is FINAL. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-17,23 and 116-120 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1-17,23 and 116-120 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
2. ☐ Certified copies of the priority documents have been received in Application No. _____.
3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).
- * See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- | | |
|---|---|
| 1) <input type="checkbox"/> Notice of References Cited (PTO-892) | 4) <input type="checkbox"/> Interview Summary (PTO-413) |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948) | Paper No(s)/Mail Date. _____ |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08) | 5) <input type="checkbox"/> Notice of Informal Patent Application (PTO-152) |
| Paper No(s)/Mail Date _____ | 6) <input type="checkbox"/> Other: _____ |

DETAILED ACTION

1. This communication is in response to the request for continued examination filed on August 18, 2004. Amendments to claim 1, cancellation of claims 18-22 and 24-115, and addition of new claims 116-120 have been entered. Claims 1-17, 23 and 116-120 are pending and have been examined. The rejections and response to arguments are stated below.

Claim Rejections - 35 USC § 101

2. The claims 1-17, 23 and 116-120 of the invention are directed to non-statutory subject matter. Claims 1-17, 23 and 116-120 are drawn to methods for managing concentration of debt that is not tied to any technological art. These claims are directed to non-statutory subject matter because they lack any recitation of technology in the body of the claims, which is required in order to meet the statutory requirements. The Patent Office has taken the position that some form of technology must be claimed in the body of the claim. The Board of Patent Appeals and Interferences has stated that claims lacking any technology are “nothing more than [an] abstract idea which is not tied to any technological art and is not a useful art as contemplated by the Constitution.” *Ex parte Bowman*, 61 USPQ2d 1669, 1671 (Board Pat. App. & Inter. 2001) (Unpublished). While it is understood that the Bowman case is not precedential, it is cited herein for its content and reasoning.

Specification

3. The following is a quotation of the first paragraph of 35 U.S.C. 112:

The specification shall contain a written description of the invention, and of the manner and process of making and using it, in such full, clear, concise, and exact terms as to enable any person skilled in the art to which it pertains, or with which it is most nearly connected, to make and use the same and shall set forth the best mode contemplated by the inventor of carrying out his invention.

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4. The specification is objected to under 35 U.S.C. § 112, first paragraph, as failing to support the subject matter set forth in the claims. The specification as originally filed, and the current amendments to the specification do not provide support for the invention as now claimed.

The test to be applied under the written description portion of 35 U.S.C. § 112, first paragraph, is whether the disclosure of the application as originally filed reasonably conveys to the artisan that the inventor had possession at that time of later claimed subject matter. Vas-Cat, Inc. v. Mahurkar, 935 F. 2d 1555, 1565, 19 USPQ2d 111, 1118 (Fed. Cir. 1991), reh'rg denied (Fed. Cir. July 8, 1991) and reh'rg, en banc, denied (Fed. Cir. July 29, 1991).

Claims 1-17 and 23 include the limitation “providing a company or company representatives, with unilateral authority to implement the condition and change a parameter of the debt instrument”. However, the specification does not provide an enabling disclosure to support the claimed step of “providing a company or company representatives with unilateral authority to implement the condition and change a parameter of the debt instrument”. Similarly claims 116-120 include the limitation “wherein the changed parameter has less than an infinite number of values”. However, the specification does not provide an enabling disclosure to support the claimed feature of “wherein the changed parameter has less than an infinite number of values”.

Claim Rejections - 35 USC § 112

5. The following is a quotation of the first paragraph of 35 U.S.C. 112:

The specification shall contain a written description of the invention, and of the manner and process of making and using it, in such full, clear, concise, and exact terms as to enable any person skilled in the art to which it pertains, or with which it is most nearly connected, to make and use the same and shall set forth the best mode contemplated by the inventor of carrying out his invention.

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6. Claims 1-17, 23 and 116-120 are rejected under 35 U.S.C. 112, first paragraph, as containing subject matter which was not described in the specification in such a way as to reasonably convey to one skilled in the relevant art that the inventor(s), at the time the application was filed, had possession of the claimed invention. In particular, claims 1-17, 23 and 116-120 are rejected under 35 U.S.C. § 112, first paragraph, for the reasons set forth in the objection to the specification.

Claim Rejections - 35 USC § 103

7. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

8. Claims 1-17 are rejected under 35 U.S.C. 103(a) as being unpatentable over King (US Patent 6,148,293) as discussed in paragraph 5 of the office action mailed on August 8, 2003 (Paper No. 3). The added limitation “providing a company or company representatives with unilateral authority to implement the condition and change a parameter of the debt instrument” has not been considered in making the rejection in view of the objections to the specification and rejection under 35 U.S.C. 112, first paragraph discussed above.

9. Claims 116-120 are rejected under 35 U.S.C. 103(a) as being unpatentable over King (US Patent 6,148,293). The feature “wherein the changed parameter has less than an infinite number of values” has not been considered in making the rejection in view of the objections to the specification and rejection under 35 U.S.C. 112, first paragraph discussed above.

With reference to claim 116, King discloses a method, for changing at least one parameter of the debt instrument when a condition associated with a debt instrument changes. (See King Column 6 line 64 – Column 7 line 8, claims 1-4).

King does not explicitly teach the steps of determining a debt concentration threshold and the condition when an entity holds more debt instruments than the debt concentration threshold.

Official notice is taken that the steps of determining a debt concentration threshold and the condition when an entity holds more debt instruments than the debt concentration threshold is old and well known in the art. For instance when all secured debt of a business is held by one entity and the debt covenant may specify that all additional debt against the collateral will be subordinate to the debt currently held by the entity. Such specification can apply to currently held debt and/or future debt. The debt held by the entity would then in effect be the debt concentration threshold. Changing the threshold can be negotiated between the lender and the borrower. Such steps help the business owners from getting into too much debt and thereby lose control of the business and it also helps the secured lenders maintain their priority of claims over the collateral.

It would have been obvious to one with ordinary skill in the art at the time of invention to include the steps of determining a debt concentration threshold and the condition when an entity holds more debt instruments than the debt concentration threshold to the disclosure of King. The combinations of the disclosures taken as a whole suggests that it would have helped the business owners from getting into too much debt and thereby lose control of their business and it would have also helped the secured lenders maintain their priority of claims over the collateral.

With reference to claims 117-120, please see the rejection of claims 14-17.

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Response to Arguments

10. Applicant's arguments with respect to objection and rejection of claims 1-17 and 23 under 35 U.S.C. 112, first paragraph have been considered but are not persuasive. The specification as originally filed and the arguments made in the applicant's communication do not provide support for the invention as now claimed.

Applicant's other arguments have been considered but are not persuasive.

Conclusion

11. Any inquiry concerning this communication or earlier communications from the examiner should be directed to Dr. Narayanswamy Subramanian whose telephone number is (703) 305-4878. The examiner can normally be reached Monday-Thursday from 8:30 AM to 7:00 PM.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Vincent Millin can be reached at (703) 308-1065. The fax number for Formal or Official faxes and Draft or Informal faxes to Technology Center 3600 or this Art Unit is (703) 305-7687.

Any inquiry of a general nature or relating to the status of this application should be directed to the Group receptionist whose telephone number is (703) 308-1113.

N. Subramanian
October 28, 2004

 10/29/04

Jagdish N. Patel
Primary Examiner